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Unlocking Africa's Position in the $200 Billion Soybean Market

A strategic look at Africa's production potential, trade advantage, and path to value creation.

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About Soyabeans

Soybean (Glycine max) is a high-protein legume crop that has become one of the most economically important agricultural commodities worldwide. Originally domesticated in East Asia over 3,000 years ago, the soybean is now cultivated across North and South America, Asia, and increasingly Africa. It is classified as an oilseed crop because of its dual output: oil and protein meal.

Soybeans are unique among major crops because they simultaneously serve the food, feed, and industrial sectors. Unlike maize or rice, which primarily serve food markets, soybeans have diversified demand channels, making it structurally resilient as a commodity.

Globally, soybeans underpin livestock industries, edible oil markets, biofuel production, and food processing systems. Africa currently plays a relatively small role in global supply, yet it holds significant potential due to expanding domestic demand and suitable agro-climatic conditions.

Soyabean contains

36%-56%

protein content

Key characteristics:

- Protein content: 36 to 56%
- Oil content: 18
- Nitrogen-fixing crop improves soil fertility
- Short growth cycle: 85 to 120 days
- Adaptable to multiple agro-ecological zones

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Animal Feed

Soybean meal is the dominant protein ingredient in poultry and livestock feed.

- Accounts for 70 to 75%of global protein feed consumption
- Typical poultry feed contains 40 to 48% soybean meal
- Essential for broilers, layers, aquaculture, and pig farming

Edible Oil

Soybean oil is among the most widely consumed vegetable oils globally.

- Represents approximately 28% of global vegetable oil production
- Used for cooking oil, margarine, processed foods
- Competes with palm oil and sunflower oil

Human Consumption

Soybeans are used in:

- Soy flour
- Soy milk
- Tofu and textured vegetable protein
- Infant nutrition and fortified foods

Industrial applications

- Biodiesel production
- Industrial lubricants
- Cosmetics
- Adhesives and printing inks

Soybeans derive value from transformation, not just production. Crushing converts the crop into oil for human consumption and protein meal that sustains global feed markets.

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Suitable conditions for Soyabeans

Soybeans perform best under specific agronomic conditions:

- Optimal temperature: 20°C to 30°C
- Rainfall requirement: 500 to 900 mm annually
- Sensitive to waterlogging
- Moderate drought tolerance

- Well-drained loamy soils
- pH range: 5.5 to 7.5
- Preferably phosphorus-rich soils

- 90 to 120 days maturity
- Suitable for crop rotation with maize
- Can be grown once or twice per year, depending on irrigation

Requires long daylight exposure for optimal flowering
Performs best in regions with a stable warm season

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Global Soyabean Production and Market Context

As of recent global estimates total annual global production:

428.2 Million MT

USD200
global soyabean Market

Market Value

- Global soybean market value: over USD 200 billion annually
- Soybean oil market: approximately USD 65 billion
- Soybean meal market: approximately USD 110 billion

Global pricing benchmark: Chicago Board of Trade futures.

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Major African Chili-Producing Countries

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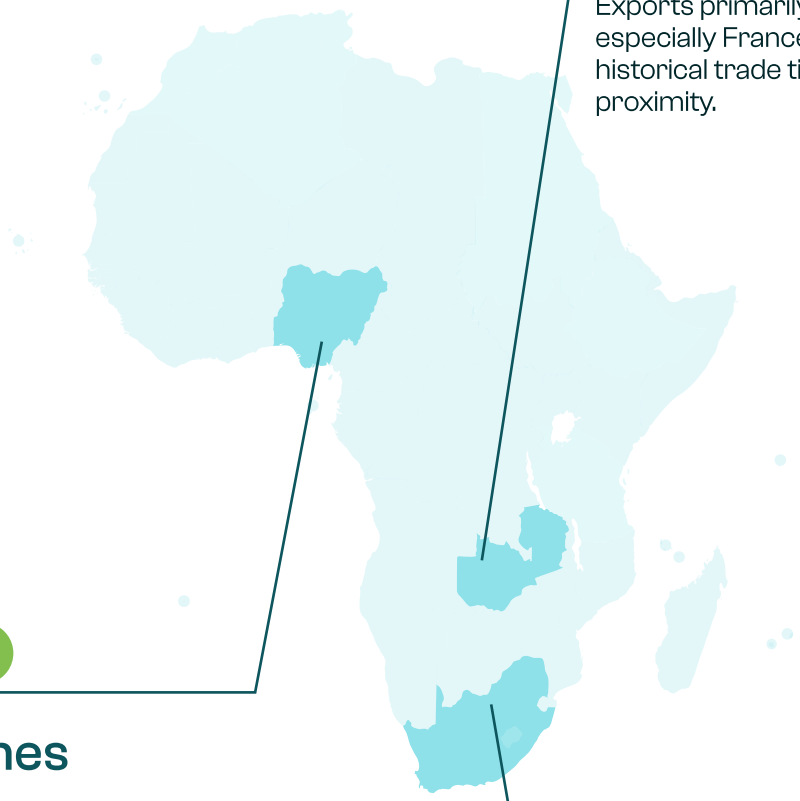
Zambia

475,000 tonnes

Exports primarily to the European Union, especially France and Italy, supported by historical trade ties and geographic proximity.



Nigeria

1.15M tonnes

Primarily supplies West African regional markets including Ghana, Niger, and Benin. Limited formal exports to Europe due to compliance constraints, with most trade occurring intra-Africa.

South Africa

2.8M tonnes

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Global Soyabean demand is consumption-driven, not speculative.

Annual demand

428M
tonnes

Market value

$200B

South Africa Production of Soyabean

40%

Market value for soyabean oil

$65B

Demand growth tracks population growth, urbanisation, and food processing, rather than commodity cycles.

Major Demand Centres

90M
tonnes annually

China

China imports over 100 million tonnes of soybeans to serve its crushing industry, livestock feed demand, and edible oil consumption.

15M
tonnes annually

The European Union

The EU imports about 15 million tonnes annually, mainly to supply protein-rich feed for poultry, pigs, cattle, and dairy production.

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Strong Domestic Demand For Feed And Oil

Growing poultry and livestock sectors drive demand for soybean meal, while soybean oil remains widely consumed in households and food processing.

Growing Regional Trade Under AfCFTA

Reduced trade barriers across Africa expand market access for soybean producers and processors.

Short Production Cycle

Soybeans mature in about 90 to 120 days, allowing farmers to generate income within a relatively short period.

Crop Rotation Benefits

Soybeans improve soil fertility through nitrogen fixation, boosting productivity for future crops.

Dual Revenue Streams From Oil And Meal

Processing soybeans produces cooking oil and protein meal, creating two valuable market outputs.

Import substitution potential

Many African countries rely on imported soybean products, creating an opportunity for local production to replace imports.

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Threat of new entrants – Moderate
Farming entry cost relatively low

Processing capital-intensive

Supplier power – Moderate
Seed suppliers influence input cost

Fertilizer dependency increases cost volatility

Buyer power – High
Large feed mills and oil processors dominate purchases

Buyers can negotiate price based on global benchmarks

Threat of substitutes – Moderate
Sunflower meal, Palm kernel cake, fish meal

Competitive rivalry – Increasing
A growing number of commercial farms

Regional competition from Zambia and South Africa

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Cultivation
Soybeans are planted and grown over a 90 to 120 day cycle under suitable temperature, rainfall, and soil conditions.

Harvesting and Drying
Mature soybeans are harvested and dried to reduce moisture levels, preserving quality and preventing spoilage during storage.

Cleaning and Storage
The beans are cleaned to remove debris and stored in controlled facilities before being transported for processing or trade.

Crushing and Processing
Soybeans are crushed in processing plants where they are separated into soybean oil and soybean meal.

Product Manufacturing
Soybean oil is refined for cooking and food processing, while soybean meal is used in poultry, livestock, and aquaculture feed.

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PHASE 1: Location & Strategy Setup

Objective

Select zones that meet climate, drying conditions and logistics requirements for export-quality production

Key biological requirements

Temperature	Rainfall	Crop Cycle
20-30°C	500 to 900 mm	90–120 days

Viable sesame belts in Africa

- Ghana (northern and middle belts)
- Nigeria (Central States)
- Ethiopia (Rift Valley)
- Malawi
- Tanzania

Strategic choice

Malawi is a low-risk entry point:

- Focuses on export-grade chilli
- Structured contract farming system
- Strong compliance alignment with European buyers.

PHASE 2: Land acquisition & setup

Objective

Learn before scaling.

Lease, do not buy

Lease duration: **1–3 seasons**

Conduct soil testing

20–$40 per sample, helping determine fertilizer needs.

Procure improved seed varieties

Improved soybean seeds can increase yields by **30–40%**

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PHASE 3: Production

Land Preparation

Mechanized plowing and harrowing typically costs **$70–$120** per hectare.

Key Activities

- Weed control (first 30–40 days critical)
- Pest monitoring
- Nutrient management

Planting

- Planting typically occurs within a 2–3 week window at the start of the rainy season to ensure sufficient soil moisture.
- Seeds are planted 3–5 cm deep with a seeding rate of 60–80 kg per hectare, producing about 300,000–400,000 plants per hectare.

PHASE 4: Aggregation and Storage

Storage Requirements

- Maintain grain moisture below 13%
- Store in clean, ventilated facilities
- Use fumigation to control pests

Basic Storage Investment

- Warehouse facility (200–300 tonnes capacity)
- Metal silos improve quality preservation.

Post-harvest losses can reach **10–20%** without proper storage, making storage a key value driver.

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PHASE 5: Processing

Soybeans create two main products:

Soybean Oil
Used for cooking and food manufacturing.

Soybean Meal
Used in poultry, livestock, and aquaculture feed.

Typical Crushing Output

From 1 tonne of soybeans

- 180–200 kg soybean oil
- 780–800 kg soybean meal

Processing margins can increase revenue by 20–40% compared to selling raw beans.

PHASE 6: Market Expansion

Objective

Once production stabilizes, producers can expand into regional trade.

- Regional Trade Opportunities
  Major African soybean buyers include:
  - Nigeria
  - South Africa
  - Kenya
  - Egypt

Under AfCFTA, reduced tariffs make cross-border agricultural trade easier.

TIP

Soybeans lose quality and value when moisture is poorly controlled during storage.

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Drought or excessive rainfall	→	Irrigation systems, climate-resilient seed varieties
Global price decline	→	Forward contracts, diversified revenue streams
Fertilizer and seed price spikes	→	Bulk procurement agreements
Storage damage	→	Modern storage infrastructure
Export bans or tariff changes	→	Market diversification

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About Us

One Africa Markets is a leading global financial services firm that bridges Africa's dynamic and rapidly growing financial markets with the rest of the world, while seamlessly bringing global markets closer to Africa. We combine world-class technology, institutional-grade execution, and a client-centric service model to deliver speed, reliability, and strategic insight across the financial value chain.

Our offerings span global payments, fixed income, commodities, foreign exchange, digital assets, technology solutions, data, and advisory services providing integrated solutions tailored to our clients' evolving needs. Over the past decade, we have built a trusted track record serving a diverse and sophisticated client base, including governments, multinational corporations, high-net-worth individuals, SMEs, fintechs, global and local banks, and leading investment institutions.

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140+
teams across our global offices

1000+
global client coverage

100+
global banking partnerships

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